

Wintac LIMITED

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ANNUAL
REPORT
2007-2008



Winning Technologies

BOARD OF DIRECTORS

Shri S.T.R. Mady	Chairman
Shri S. Jayaprakash Mady	Managing Director
Shri H.R. Kedlaya	Director
Dr. K. Nagarajan	Director
Dr. C. Prakash	Director
Shri. Tobby Simon	Director

G.M. (FINANCE) & SECRETARY Shri B.P. Thyagaraj

BANKERS UCO Bank, K.G. Road, Bangalore.

AUDITORS M/s. Rao & Swami
 Chartered Accountants,
 2/1, Connaught Road,
 Bangalore-560 052.

SHARE TRANSFER AGENT Canbank Computer Services Ltd.
 4th Floor, Naveen Complex, 14,
 M.G. Road, Bangalore - 560 001.

SHARES LISTED AT Bangalore Stock Exchange Limited
 Stock Exchange - Mumbai
 (Listing fee paid for the year 2006-07)

REGISTERED OFFICE 16/2, OVH Road, Basavanagudi,
 Bangalore - 560 004.

CORPORATE OFFICE 163, Reservoir Street, Basavanagudi,
 Bangalore-560 004.
 Phones : 080-26612792/26677027
 Fax : 080-26622566

MANUFACTURING UNIT 54/1, NH4, Near 39th Mile Stone,
 Boodihal Village, Nelamangala Taluk,
 Bangalore District, Karnataka.

N O T I C E

Notice is hereby given that the Eighteenth Annual General Meeting of the Members of Wintac Limited will be held at Pai Vijay Hall, 530/58, 33rd Cross, 11th Main, 4th Block, Jayanagar, Bangalore-560 011 on Monday, the 29th September 2008 at 10.00 am to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2008 and the Profit and Loss Account for the period ended on that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place Dr.K.Nagarajan who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place Dr.C.Prakash who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint auditors to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass, with or without modification(s) the following as an Ordinary Resolution:

"RESOLVED THAT subject to the provisions of Sections 198, 269, 309, 310, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") and subject to the limits prescribed under the Act, and also subject to such approvals as are necessary, consent of the Company be and is hereby accorded to the re-appointment of Shri.S.Jayaprakash Mady as Managing Director of the Company with effect from 1st February, 2008 for a period of five years on the following terms and conditions:

Salary - Rs.70,000 per month in the first year with an yearly increment of Rs.10,000 per month for the subsequent period.

Perquisites - The Managing Director shall be entitled to the following perquisites as classified into three categories 'A', 'B' and 'C'.

CATEGORY 'A'

- i. Housing: The Managing Director will be provided with furnished company leased accommodation at a maximum amount of Rs.20,000.
- ii. Medical Reimbursement: Expenses incurred for the Managing Director and the family subject to a ceiling of one month's salary per year or three month's salary over a period of three years.
- iii. Club Fee: Fee of clubs subject to a maximum of two clubs. This will not include admission and life membership fee.

- iv. Personal Accident Insurance: Premium not to exceed Rs.1000 per annum.
- v. Leave Travel allowance as per the rules of the Company.

For the purpose of Category 'A', "Family" means the spouse and the dependent children of the Managing Director.

CATEGORY 'B'

- i. Contribution to Provident Fund or annuity fund will not be included in the computation of the ceiling on remuneration to the extent these, either singly or put together, are not taxable under the Income Tax Act.
- ii. Gratuity payable will not exceed half a month's salary for each completed year of service.

CATEGORY 'C'

Provision of Car with driver for official use and also provision of telephone at residence will not be considered as perquisites. However, personal long distance calls will be billed by the Company.

In the event of inadequacy or absence of profits in any financial year, the Managing Director shall be entitled to the remuneration and perquisites subject to limits prescribed under Schedule XIII of the Companies Act, 1956."

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
2. Pursuant to the provisions of Section 205A and Section 205C of the Companies Act, 1956, the amount of dividend remaining unclaimed or unpaid for a period of seven years from the date of transfer to the Unpaid Dividend Account of the Company shall be transferred to the Investor Education and Protection Fund (the Fund) set up by the Government of India and no payments shall be made in respect of any such claims by the Fund. Accordingly, the dividend which had remained unpaid/unclaimed for the financial years from 1995-96 to 1999-2000 have been transferred to the Fund. Members who have not encashed dividend warrant(s) for the financial year ended 30th June, 2001 and thereafter, are requested to make their claims to the Company accordingly without any delay.
3. The Register of Members and the Transfer Books of the Company will remain closed from 20th September, 2008 to 29th September, 2008.
4. Members who have multiple folios in identical names are requested to send all their share certificates to the Company's Share Transfer Agent for consolidating all such share holdings into one account to facilitate better service.


Wintac
LIMITED

5. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956 are requested to submit nomination in Form 2B to the Share Transfer Agents of the Company.
6. Members are requested to notify the change in their address to the Company's Share Transfer Agents – Canbank Computer Services Limited, R&T Centre, Naveen Complex, 4th Floor, No.14, M.G.Road, Bangalore-560001.
7. The explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of item No. 5 of the notice is annexed.
8. Details of the Directors seeking re-appointment in forthcoming Annual General Meeting (in pursuance of Clause 49 of the Listing Agreement).

Name	Date of Birth	Date of Appointment	Qualifications	Directorships/ Committee Memberships	No.of Shares Held
Dr.K.Nagarajan	15-10-1930	01-04-2000	B.Sc (Hons)., Ph.D	Nil	9,000
Dr.C.Prakash	22-08-1955	28-12-2000	M.B.B.S., M.D	Nil	1,048
Mr.S.Jayaprakash Mady	05-09-1963	04-02-1993	B. Pharm	Nil	838,256

Regd. Office :
 No. 16/2, OVH Road,
 Basavanagudi,
 Bangalore - 560 004.

By Order of the Board of Directors
 For Wintac Limited

Date : 28.08.2008
 Place : Bangalore.

B.P.THYAGARAJ
G.M. (FINANCE) & SECRETARY

EXPLANATORY STATEMENT IN RESPECT OF ITEM NO.5 OF THE NOTICE PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

The Board of Directors at their Meeting held on 30th January 2008, on the recommendation of the Remuneration Committee, re-appointed Sri.S.Jayaprakash Mady as the Managing Director of the Company for a period of five (5) years with effect from 01.02.2008.

The Managing Director shall be entitled to the salary and perquisites as outlined in the Resolution placed before the members subject to the limits laid down in Section 198, 309 and Schedule XIII to the Companies Act, 1956.

Nature of Duties: The Managing Director is authorised to exercise substantial powers of management and shall be responsible for the day-to-day management, subject to the superintendence, direction and control of the Board of Directors of the Company.

The Managing Director shall have the general control of the business of the Company with powers to enter into contracts on behalf of the Company in the ordinary course of business and to do and perform all other acts and things which in the ordinary course of business he may consider necessary or proper in the interest of the Company and carry out such duties as may be entrusted and/or delegated to him by the Board from time to time.

Shri S.Jayaprakash Mady is a Graduate in Pharmacy with distinction and an industrialist and one of the promoters of the company and has more than 17 years of industrial experience. He has worked first hand on the development of Time Release formulations of Nifedipine, Zinc, Iron, Diclofenac Sodium and Indomethacin. He was instrumental in setting up a state-of-the-art Research & Development Centre as well as Manufacturing Plant matching with International Standards.

The Agreement entered into between the Company and Sri.S.Jayaprakash Mady is open for inspection by the members at the Registered Office of the Company on any working day during the business hours of the Company till 29.09.2008.

Except Mr.S.T.R.Mady, being a relative of the Managing Director, and Mr.S.Jayaprakash Mady, no other director is interested or concerned in the said resolution.

In terms of the provisions of Section 109, 269 & 309 read with Schedule XIII of the Companies Act, 1956, the appointment of Mr.S.Jayaprakash Mady as Managing Director of the Company and payment of remuneration to him are subject to the approval of the members in General Meeting. The Board recommends the resolution to the members for their approval.

By Order of the Board of Directors
For Wintac Limited

Date : 28.08.2008
Place : Bangalore.

B.P.THYAGARAJ
G.M. (FINANCE) & SECRETARY

DIRECTORS' REPORT

To the Shareholders

The Directors have pleasure in presenting the Eighteenth Annual Report together with the Audited Accounts for the year ended 31st March, 2008.

Financial Performance

Rs. Lakhs

	For the year ended 31 st March, 2007	For the year ended 31 st March, 2008
Income from operations	1466.06	1788.05
Other Income	46.90	20.07
Total Revenue	1512.97	1808.12
Total Expenditure	1267.80	1684.68
Operating Profit	245.17	123.45
Interest	108.95	129.60
Profit before Depreciation (PBDT)	134.71	(6.16)
Depreciation	116.90	123.87
Profit /Loss before Provisions/Prior period expenses	19.32	(130.30)
Provisions/Prior period expenses	5.75	(9.54)
Provision for Taxation (FBT)	2.50	1.00
Profit/Loss after Tax	11.07	(140.57)
<u>Appropriations:</u>		
Balance brought down from previous year	(154.07)	(143.06)
Balance carried forward	(143.00)	(283.63)

OPERATIONS

The sales turnover during the year under review was Rs.1808 lakhs as against Rs.1513 lakhs during the previous year registering an increase of 20%. However, the profitability during the year was not satisfactory due to steep increase in all the input costs resulting in a net loss of Rs.140.57 lakhs as compared to a net profit of Rs.11.07 lakhs during the previous year. Several steps have been initiated to combat the ever increasing input costs. These include discussions with the customers for an increase in the conversion costs, steps for containing input costs and increasing the volume of business, etc. These initiatives are yielding results and we are confident of positive results during the financial year 2008-09.

Exports

The product development work for filing the ANDA's is progressing as per schedule. We are happy to report that the first ANDA was filed during November 2007 by our Customer and the USFDA

authorities have taken the same for review. We are in the process of filing ANDAs for three more products shortly. We expect that the inspection of the manufacturing plant by the USFDA would happen by the end of the current calendar year and approval of the ANDA thereafter. Commercial supplies of the products would commence after approval of the ANDA. We expect that the commercial supplies could commence for a couple of products during the financial year 2009-10 and for all products under development during 2010-11. Currently total number of products under development are fourteen from three customers and we expect to add more products for development in the coming months. We are also in the process of upgrading the manufacturing plant for meeting the USFDA standards. We are expecting a substantial growth in sales turnover as well as profitability with the commencement of commercial supplies to US Market.

Directors

Dr.K.Nagarajan and Dr.C.Prakash, Directors retire by rotation and being eligible, offers themselves for re-appointment. The Board of Directors has re-appointed Shri S. Jayaprakash Mady as the Managing Director of the Company for a period of five years effective from 1st February, 2008. The proposal is placed before the Members for approval at the ensuing Annual General Meeting.

Corporate Governance

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, a Management Discussion and Analysis statement, Corporate Governance Report and Auditors' Certificate on the compliance of conditions of Corporate Governance are made part of the Annual Report.

Directors' Responsibility Statement

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956, the Directors hereby confirm that

- in the preparation of the annual accounts for the year 2007-08, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts on a going concern basis.

Auditors observation

Auditors have drawn attention to Notes No.6, 7(b), 7(c), 9(a)(i), 9(b) & 10 of Schedule R forming part of the accounts and expressed their reservation. The said notes to accounts are self explanatory.



Personnel

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is as under:

Name & Designation	Qualifications & Experience	Age	Commencement of employment	Remuneration	Last Employment
Dr. Shiv D Kamath Executive Vice President	Msc, Ph.D	58 years	1st July, 2007	Rs.18,00,000	Strides Acrolab Ltd., Vice President One year.

Dr.Shiv D Kamath is not related to any Director of the Company.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings/Outgo

In pursuance of the provisions of Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo are annexed to the Report.

Auditors

The Auditors Messers Rao & Swami, Chartered Accountants retire at the forthcoming Annual General Meeting and being eligible offer for reappointment.

Acknowledgement

The Board places on record its appreciation for the continued cooperation and support received from the Medical Profession, various Government Agencies, Shareholders, Business Associates, Employees, Depositors and Bankers.

For and on behalf of the Board of Directors

Date : 28-08-2008

Place : Bangalore

S.T.R.MADY

CHAIRMAN

ANNEXURE TO THE DIRECTORS' REPORT

Information under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2008.

I. CONSERVATION OF ENERGY

The Company continues to explore measures which will help in conservation and saving of energy.

FORM - A

		<u>2006-2007</u>	<u>2007-2008</u>
A. Power and Fuel Consumption			
1. Electricity			
a. Purchased units	KWH	12,40,053	13,05,125
Total Amount	Rs. Lakhs	58.44	64.60
Rate/Unit	Rupees	4.71	4.95
b. Own Generation			
Through Diesel Generators:			
Units	KWH	2,72,753	2,09,218
Cost/unit	Rupees	11.08	11.08
2. Coal	Tonnes	Nil	Nil
3. Furnace Oil			
Quantity	Kilolitre	Nil	272.77
Total Amount	Rs. Lakhs	-	61.37
Average Rate	Rs./KL	-	22,500
4. Other/Internal Generator (Diesel - Ltrs)		98,981	79,760

B. Consumption per unit of Production

Total Production

Capsules (Nos.)		Sterile Products (Ltrs)		Tablets (Nos)		Powder (gms)	
2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07
376 Lakhs	519 Lakhs	3.54 Lakhs	3.19 Lakhs	74 Lakhs	939 Lakhs	-	23,000